

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6256
ANSWERED ON:05.05.2000
PERMISSION TO PFGIL TO RUN BUSINESS
C.P. RADHAKRISHNAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has permitted the Peerless General Finance and Investment Company Ltd. to run the daily and collection schemes and collect deposits from individual depositors and small businessmen;

(b) if so, the details thereof; and

(c) the grounds on which the permission for operating such schemes which clearly fall within the ambit of the banks has been given to the Non-Banking Financial institutions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : Reserve Bank of India has reported that so long as any Residuary Non- Banking Company including Peerless General Finance & Investment Co. Ltd. complies with the various provisions of the directions issued by the RBI, there is no prohibition in law for such a company to mobilize deposits including deposits on a daily collection basis and no prior permission of RBI is required for the same.

(c): RBI has reported that the daily deposits and collection schemes of the Residuary Non-Banking Companies have been traditionally in operation for a long time and observed to be popular in areas which were not adequately served by the bank branches.